

# PROCUREMENT

**PROGRAM:**

Automation and Reports Management

**PROGRAM ELEMENT:**

Reengineered Automated Procurement Delivery (RAPID)

**PROGRAM MISSION:**

To operate a comprehensive, integrated e-procurement system that provides vendors who have paid a subscription fee with on-line access to current solicitations of goods, services, and construction contracts

**COMMUNITY OUTCOMES SUPPORTED:**

- Deliver high value, quality procurement information and services for tax dollars
- Provide responsive government
- Foster public/private partnerships and a friendly business climate

**PROGRAM MEASURES<sup>a</sup>**

	FY03 ACTUAL	FY04 ACTUAL	FY05 ACTUAL	FY06 BUDGET	FY07 CE REC
<b>Outcomes/Results:</b>					
Number of RAPID hits	24,832	16,127	13,539	16,200	16,500
Printing and mailing costs (\$000) <sup>b</sup>	12	11	10	12	10
Percentage of vendors using RAPID	7	6	6	7	7
<b>Service Quality:</b>					
Number of complaints received	4	2	2	1	0
Percentage of procurements posted on RAPID	79	80	85	90	90
<b>Efficiency:</b>					
Cost per subscriber (\$)	103.07	<sup>d</sup> 105.99	90.64	90.64	96.87
Cost per RAPID hit (\$)	5.68	<sup>e</sup> 8.99	9.16	7.65	8.03
Percentage of expenditures covered by revenues	45.6	49.7	54.6	37.2	50.6
<b>Workload/Outputs:</b>					
Total subscribers	1,223	1,412	1,181	1,430	1,500
Revenues (\$)	64,350	72,040	67,690	46,100	67,000
Number of downloads	12,753	7,524	5,766	8,500	9,000
<b>Inputs:</b>					
Expenditures (\$000) <sup>c</sup>	141	145	124	124	133
Workyears	1.5	1.5	1.5	1.5	1.5

**Notes:**

<sup>a</sup>The subscriber and expenditure figures for FY03 have been recalculated using a more accurate, consistent methodology. These changes have, in turn, affected the corresponding efficiency measures.

<sup>b</sup>The change in printing and mailing costs represents an important result from the introduction of RAPID, since the availability of on-line access to procurement information is expected to help reduce such costs. FY99 expenditures for printing and mailing (before implementation of RAPID) were \$45,000. These costs have fallen substantially: the FY05 printing and mailing cost was 22% of the pre-RAPID cost.

<sup>c</sup>Includes costs charged to the Automation and Reports Management Program, as well as relevant expenditures for other Office of Procurement programs supported by RAPID, which has come to play a key role in many phases of the procurement function.

<sup>d</sup>Effective July, 2003, the subscription cost for RAPID increased from \$100 to \$200 (However, the program cost per subscriber did not increase.)

<sup>e</sup>The FY04 increase in the cost per RAPID hit is due to a change in the allocation of administrative costs.

**EXPLANATION:**

The acquisition of additional information delivery equipment has generated increased vendor activity on the RAPID web site, and the FY01 redesign of the web site increased the percentage of vendors using RAPID. The redesigned web site is more user friendly and offers vendors eCommerce payment options. The site is constantly updated, allowing subscribers to query the list of bid holders, register on line, and update their own subscriber information. Weekly email distributions of new solicitations to subscribers save vendors time in reviewing comprehensive solicitation listings. In addition, on-line access by subcontractors to the public listing of bidders should provide greater opportunities for minority and other subcontractors. The purchase of three servers in FY02 has helped ensure more interaction and functionality on the site. As part of the progressive migration of Procurement's information infrastructure from a 2-tier to an n-tier architecture, RAPID's content management and administration has been redesigned around an n-tier framework. This improvement has enabled RAPID to be integrated with the department's revenue collection application and will simplify further integration.

The integration of RAPID with Procurement's other web-based operations has led to significant productivity improvements for the department's core and support staff. As such, RAPID has become an integral part of the department's informational operations, including revenue collection and reporting, event registration, mandated notification and listings, public information, and customer outreach.

**PROGRAM PARTNERS IN SUPPORT OF OUTCOMES:**

Montgomery County Public Schools; Montgomery College; Housing Opportunities Commission; Washington Suburban Sanitary Commission; Maryland-National Capital Park and Planning Commission; Prince George's County Public Schools; Anne Arundel, Harford, Howard, and Fairfax County governments.

**MAJOR RELATED PLANS AND GUIDELINES:** Maryland Uniform Electronic Transactions Act, Maryland Uniform Computer Information Transactions Act, National Institute of Governmental Purchasers (NGIP) Commodity Codes.

# PROCUREMENT

**PROGRAM:**  
Minority, Female, and Disabled Persons Procurement

**PROGRAM ELEMENT:**  
Compliance

**PROGRAM MISSION:**

To monitor contracts over \$65,000 that are subject to minority, female, disabled (MFD) participation to insure compliance by prime contractors, and to assist prime contractors in identifying approved MFD vendors

**COMMUNITY OUTCOMES SUPPORTED:**

- Encourage a diverse business climate
- Share publicly-contracted dollars throughout the community

**PROGRAM MEASURES**

	FY03 ACTUAL	FY04 ACTUAL	FY05 ACTUAL	FY06 BUDGET	FY07 CE REC
<b>Outcomes/Results:</b>					
Percentage of total dollars awarded to MFD firms <sup>a</sup>	21.6	20.9	22.7	21.5	25.0
Number of contracts without MFD waivers <sup>b</sup>	1,835	1,887	2,109	2,400	2,400
Number of contracts with partial MFD waivers <sup>c</sup>	51	40	32	28	34
Number of contracts with full MFD waivers <sup>d</sup>	150	201	186	200	250
Percentage of contracts with full MFD waivers	7.4	9.5	8.0	10	12
<b>Service Quality:</b>					
Percentage of vendors satisfied with the solicitation information that they received from Procurement	56	75	80	90	95
<b>Efficiency:</b>					
Program cost per MFD vendor (\$)	54.09	58.18	86.80	84.95	99.21
Program cost per contract subject to MFD participation (\$)	42.56	45.11	65.91	59.80	73.93
<b>Workload/Outputs:</b>					
Number of contracts subject to MFD participation	2,036	2,128	2,327	2,628	2,684
Number of proposals submitted by MFD firms	15	64	31	40	<sup>9</sup> 50
Percentage of proposals submitted by MFD firms	4.6	29.0	17.5	40.4	<sup>9</sup> 60
Number of awards to MFD firms for requests for proposals <sup>e</sup>	11	<sup>1</sup> 19	12	12	<sup>9</sup> 17
Percentage of awards to MFD firms for requests for proposals	10.0	25.0	25.5	30.0	<sup>9</sup> 35
Number of MFD vendors in the database	1,602	1,650	1,767	1,850	<sup>9</sup> 2,000
<b>Inputs:</b>					
Expenditures (\$)	86,656	95,991	153,376	157,165	<sup>9</sup> 198,427
Workyears	1.0	1.0	2.0	2.0	2.0

**Notes:**

<sup>a</sup>For FY03 - FY06, this percentage is based on contract awards that are over \$65,000. For FY07, the percentage uses contract awards over \$50,000 (based on a proposed change in Executive Regulation 3-06).

<sup>b</sup>Contracts with no waivers were able to meet the County's goal for MFD participation.

<sup>c</sup>A partial waiver can be granted when the MFD goal has not been fully met by the prime contractor for reasons beyond the prime contractor's control.

<sup>d</sup>A full waiver can be granted when the prime contractor is unable to meet any portion of the MFD goal for one of several types of reasons described in the governing regulations (e.g., because MFD firms are unavailable or not identifiable).

<sup>e</sup>The number of awards to MFD firms is directly related to the economic boom experienced by the County for the past 4+ years. The boom has limited the availability of minority firms to take on more work, thus limiting the number of MFD firms that can be utilized as subcontractors on contracts that come under the County's MFD program.

<sup>1</sup>In FY04, 63 percent of MFD awards were to female-owned businesses.

<sup>1</sup>Council approved the addition of a Procurement Specialist to the MFD Program for FY05.

<sup>9</sup>A one-time request for clerical assistance in FY07 will add \$32,540 in expenditures to assist staff in a mass mailing to confirm addresses, MFD status, and for implementation of a Maryland Department of Transportation database of Minority Business Enterprise (MBE) firms. MFD status confirmations will be needed to help meet the demands generated by the reduction of the MFD threshold from \$65,000 to \$50,000 in FY07. The resulting increase in the number of procurements that must be reviewed for MFD compliance is expected to increase both the vendor database and minority participation in procurements.

**EXPLANATION:**

The Montgomery County Office of Procurement is responsible for reporting annual minority, female, and disabled persons (MFD) procurement activity in accordance with Section 11B - 23D of the Montgomery County Code and Section 7 of the Montgomery County Procurement Regulations. The objective of the MFD program is to meet the County's annual goal of awarding a designated percentage of the total dollar value of negotiated contracts over \$50,000 to minority-, female-, or disabled-owned businesses certified by any one of the following agencies: the Maryland Department of Transportation, the Washington Metropolitan Area Transit Authority, or the Small Business Administration Section 8(a) Program. To meet this objective, the program identifies MFD firms, encourages and coordinates their participation in the procurement process through community outreach, and monitors contracts subject to MFD participation to ensure compliance by prime contractors. Any contract having an estimated dollar value of \$50,000 or more is subject to the completion of a performance plan by the prime contractor which establishes the minimum percentage of the contract price that must be subcontracted by a certified MFD-owned business. The goal-setting process is designed to determine in advance of signing the contract what constitutes a reasonable expectation for the awardee in exercising a good faith effort to reach the MFD goals.

The Director of the Office of Procurement may determine whether a contractor has or has not satisfied the MFD requirement. At any time, the Procurement Director may request a waiver, or prospective contractors can request a waiver on their own initiative. The decision to waive the MFD requirements is based on a determination that MFD subcontracting is not possible, and the explanation of the waiver must demonstrate clearly that the prime contractor's failure to meet the goal is for reasons beyond the contractor's control.

**PROGRAM PARTNERS IN SUPPORT OF OUTCOMES:** Maryland Department of Transportation, Federal Small Business Administration, Montgomery County Department of Economic Development and the Business Resource Center, Dun and Bradstreet.

**MAJOR RELATED PLANS AND GUIDELINES:** Maryland Annotated Code, Montgomery County Code Section 11B - 23D, Section 7 of the Montgomery County Procurement Regulations, Federal laws and regulations.

# PROCUREMENT

## PROGRAM:

Procurement of Goods and Services

## PROGRAM ELEMENT:

Maryland Public Information Act (MPIA) Requests

## PROGRAM MISSION:

To respond in writing within 30 days by providing clear, accurate information and/or documentation in response to requests from citizens and from public entities of Montgomery County

## COMMUNITY OUTCOMES SUPPORTED:

- Deliver high value services for tax dollars
- Provide responsive, consistent, reliable government services
- Build credibility with citizens

## PROGRAM MEASURES

### Outcomes/Results:

Percentage of requestors reporting satisfactory resolution of their:

	FY03 ACTUAL	FY04 ACTUAL	FY05 ACTUAL	FY06 BUDGET	FY07 CE REC
Request for bid documents <sup>a</sup>	43	77	80	80	80
Request for other public records <sup>b</sup>	57	23	20	20	20

### Service Quality:

Percentage of citizen requests responded to within 30 days	100	100	100	100	100
Percentage of requests for which an extension of the time to respond was granted <sup>c</sup>	0	0	0	0	0

### Efficiency:

Average cost per MPIA request received (\$)	445	180	257	183	176
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### Workload/Outputs:

MPIA requests received	203	<sup>d</sup> 521	383	550	600
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### Inputs:

Expenditures (\$000)	90.4	94.0	98.4	100.8	105.8
Workyears	1.0	1.0	1.0	1.0	1.0

### Notes:

<sup>a</sup>For this display, "bid documents" include bid tabulations, unit pricing, listings of solicitation holders, and - for FY04 and subsequent years - Internet accessible information provided as a convenience to requestors (requests for such information fall under the definition of MPIA requests).

<sup>b</sup>Requests for other public records include requests for contracts, proposals submitted by vendors, evaluations used in contract awards, and other documents.

<sup>c</sup>Due to the volume or content of records requested, an extension may be granted for the time to respond.

<sup>d</sup>This number includes 315 requests for public information handled by reception desk staff. FY04 was the first year that staff at the reception desk could respond to certain MPIA requests by instantly faxing the requested documents, thus relieving procurement specialists from such duties. (All such documents are available from the Office's website; they are faxed to requestors as a convenience, along with instructions for accessing the information from the website in the future.)

### EXPLANATION:

Public demand for information and review of public records in the State of Maryland led to the 1970 enactment of the Maryland Public Information Act (MPIA). This legislation, which is patterned after the Federal Freedom of Information Act, creates a process for recording, responding to, and researching requests for information and documentation, and for distributing that information and/or documentation to requestors. Under the MPIA, any Maryland state or local government agency that receives a request invoking MPIA must send a response within 30 days from the date of receipt. A requestor's right to access information is limited by numerous restrictions cited throughout the MPIA. However, whether the request is granted in full, denied in part (redacted), or denied in full, responses must meet the 30 day requirement, unless an extension has been granted.

The Office of Procurement receives the majority of the MPIA requests which come to Montgomery County because of the many issues that tend to be associated with contracts and contract awards. Goods and Services Division staff have been responsible for ensuring that MPIA requests are identified and tracked in a database from receipt to response, for searching for the relevant information/documentation, and for preparing formal responses to the requests.

Knowledge-based software purchased in FY02 has facilitated the provision of MPIA responses and allows users to construct responses using standard templates, making it easy to insert relevant legal citations and to mask out information that is confidential and therefore exempt from disclosure. The intent is for the system to be able to locate contract files electronically, allow collaboration between departments, and improve workflow management. The software includes ten licenses: seven are being used in Procurement and three are being used in the County Attorney's Office.

**PROGRAM PARTNERS IN SUPPORT OF OUTCOMES:** Office of the County Attorney.

**MAJOR RELATED PLANS AND GUIDELINES:** Maryland Public Information Act and Executive Regulation Number 27-01 AM.

# PROCUREMENT

**PROGRAM:**

Procurement of Goods and Services

**PROGRAM ELEMENT:**

Wage Requirements Program

**PROGRAM MISSION:**

To ensure thorough, fair, consistent, and transparent application of the law so that any contractor or subcontractor involved in providing services<sup>a</sup> to a County department or office complies with the Wage Requirements Law as established under the Montgomery County Code<sup>b</sup>

**COMMUNITY OUTCOMES SUPPORTED:**

- Help moderate income service workers afford the high cost of living in Montgomery County
- Improve the quality of life for County citizens
- Provide responsive, consistent, reliable government services
- Deliver high value services for tax dollars

**PROGRAM MEASURES<sup>c</sup>**

	FY03 ACTUAL <sup>c</sup>	FY04 ACTUAL	FY05 ACTUAL	FY06 BUDGET	FY07 CE REC
<b>Outcomes/Results:</b>					
Number of solicitations <sup>d</sup> rejected because of inability to comply with the Wage Requirements Law	NA	8	8	1	0
Number of Wage Requirements Law violations found	NA	TBD	TBD	TBD	TBD
- Number of contracts terminated for failure to comply	NA	0	1	0	0
- Value of contracts terminated for failure to comply (\$000)	NA	0	1,627	0	0
Percentage of potential service contractors surveyed reporting that: <sup>e</sup>					
- They failed to bid on a specific service contract because of the Wage Requirements Law	NA	NA	NA	NA	TBD
- They have effectively dropped out of the pool of potential bidders because of the Wage Requirements Law	NA	NA	NA	NA	TBD
Wage level established by the Chief Administrative Officer (\$ per hour)	NA	10.50	10.75	11.15	11.60
<b>Service Quality:</b>					
Number of complaints received about the application or administration of the County's Wage Requirements Law	NA	0	1	0	0
Percentage of surveyed vendors subject to the Law who reported that:					
- The requirements of the Wage Requirements Law were clearly communicated to them	NA	NA	NA	NA	100
- They were satisfied with the process for certifying that they had posted the required Notice to Employees indicating that their workers are covered under the Wage Requirements Law	NA	NA	NA	NA	100
Number of requested statutory exceptions granted <sup>f</sup>	NA	NA	25	28	50
Average end-of-month backlog of Wage Requirements Law contracts to be processed	NA	NA	7	7	0
<b>Efficiency:</b>					
Average administrative cost per wage contract subject to the Wage Requirements Law (\$) <sup>g</sup>	NA	240.65	202.33	120.23	230.35
Average administrative cost per vendor found subject to the Wage Requirements Law (\$)	NA	TBD	TBD	TBD	TBD
<b>Workload/Outputs:</b>					
Number of wage contracts subject to the Wage Requirements Law <sup>h</sup>	NA	121	195	360	400
Number of bidders found subject to the Wage Requirements Law	NA	TBD	TBD	TBD	TBD
<b>Inputs:</b>					
Expenditures (\$)	6,714	29,119	39,456	43,285	92,138
Workyears	0.0	0.5	0.5	0.5	1.0

**Notes:**

<sup>a</sup>Contracts involving construction services or procurement of goods are excluded.

<sup>b</sup>Under the Code, the hourly wage is adjusted each year using the Consumer Price Index for Urban Consumers (CPI-U).

<sup>c</sup>The Law did not take effect until the beginning of FY04. This is a new program measures display, and the availability of historical data varies.

<sup>d</sup>Solicitations include Invitations for Bids (IFBs) and Requests for Proposals (RFPs).

<sup>e</sup>A postcard survey is being developed for vendors that downloaded an IFB or RFP but did not bid.

<sup>f</sup>The statutory exceptions include (but are not limited to) contractors that will be entitled to less than \$50,000 from the County in the next twelve months, 501(c)(3) non-profit corporations, employers with fewer than ten employees, and contracts with public entities.

<sup>g</sup>The Wage Requirements Law applies to service-type contracts over \$50,000 on which employees perform direct and measurable work.

**EXPLANATION:**

In response to the high cost of living in Montgomery County and to assist those at the lower end of the pay scale, the Montgomery County Council, effective July 1, 2003, implemented the Living Wage Requirements Law. Vendors that desire to contract with the County must conform to this legislation. For those solicitations and vendors that meet the criteria established in the Code, the law mandates that the vendors pay their employees a minimum amount per hour (the "living wage requirement"), which is specified each year by the County's Chief Administrative Officer and published by the Office of Procurement. The Code stipulates that the rate be adjusted annually according to the Consumer Price Index for Urban Consumers (CPI-U). Initially the rate was \$10.50 per hour. The rate for FY06 is \$11.15, and effective FY07, the rate will increase to \$11.60 per hour.

**PROGRAM PARTNERS IN SUPPORT OF OUTCOMES:** Office of the County Attorney, Department of Finance, all County departments and offices contracting for services.

**MAJOR RELATED PLANS AND GUIDELINES:** Section 11B-33A of the Montgomery County Code, National Institute of Governmental Purchasers Commodity Codes.